



January 21, 2016

Members of the Joint Legislative Commission on Governmental Operations

Ladies and Gentlemen:

This report is being filed on the production activities of the North Carolina Housing Finance Agency (NCHFA) for CY2015, per N.C.G.S. § 122A-16. The Agency uses federal, state, and private funds to create affordable housing opportunities for North Carolinians whose needs are not met by the market.

The Agency provided \$997.5 million in financing for affordable housing activity during CY2015. In addition, the Agency (and its partners) administered \$155.2 million in rental assistance. These CY2015 investments will support an estimated 14,200 jobs and generate \$76 million in state and local tax revenues.

CY2015 was the first year that the Workforce Housing Loan Program (WHLP) was available for subordinate financing on federal housing credit rental developments, in place of the expired state housing credit. WHLP financed 1,293 homes in 22 developments located in low and moderate income counties.

Foreclosure prevention activities also continued to be a major focus. We continued the N.C. Foreclosure Prevention Fund and State Home Foreclosure Prevention Project.

Attached please find a report further detailing the Agency's housing activity, as well as the following:

- Exhibit 1 is the FY2016 organization chart of the Agency showing 107 positions.
- Exhibit 2 is a program overview. The Agency's programs have differing eligibility standards based on federal and state law. Most of the programs are helping households whose incomes are below 80% of the state median income, and several target households below 50%.

We are proud to be a self-supporting and dynamic part of North Carolina's real estate industry. We appreciate your support.

Sincerely,  
A. Robert Kucab  
Executive Director

# Report of the North Carolina Housing Finance Agency

## January 1, 2015 – December 31, 2015

The North Carolina Housing Finance Agency is self-supporting. It provides financing for affordable housing by selling tax-exempt bonds, using the securitized mortgage market to provide lower interest rates and down payment assistance, issuing federal housing credits, operating the federal HOME Program and the state Housing Trust Fund, and administering federal Section 8 Rental Assistance funds. In its history, the Agency has invested approximately \$14 billion for affordable homes and apartments to assist 242,000 households. Net interest margins on bonds and fees earned by operating federal programs pay the Agency's expenses. The Agency pays the cost of operating the state Housing Trust Fund, so all Trust Fund appropriations are invested directly in housing.

*Three foreclosure prevention programs.* The Agency designed and administers the N.C. Foreclosure Prevention Fund, financed by the U.S. Department of the Treasury. From October 2010 through the end of CY2015, the Fund has provided loans to help 21,300 unemployed homeowners avoid foreclosure while they seek or retrain for new jobs.<sup>1</sup> Since July 2011, the Agency also has managed the State Home Foreclosure Prevention Project, created by the General Assembly and funded with fees from mortgage loan servicers. This effort pays for foreclosure prevention counseling for homeowners facing foreclosure.

### **Economic Impact. CY2015 investments will support:**

**14,200 jobs**  
**\$53.8 million in state tax revenues**  
**\$22.2 million in local tax revenues**

### **Activity During CY2015**

#### **I. Investment: All Programs**

Activity	Total Funding
Homeownership	\$ 692,151,649
Rental Housing	291,578,836
Supportive Housing	3,203,941
Homeowner Rehabilitation	10,542,598
Foreclosure Prevention Loans	58,999,404 <sup>1</sup>
Foreclosure Prevention Counseling	2,325,825
Rental Assistance	155,152,884

#### **Highlighted Programs<sup>2</sup>**

#### **II. North Carolina Housing Trust Fund**

Activity	Total Units	Total Funding
Homeownership	5	15,328
Rental Housing	96	1,363,000
Supportive Housing	86	3,203,941
Urgent Repair	768	4,359,620

#### **III. State HOME Match**

Activity	Total Households	Total Funding
Homeownership	131	\$ 2,461,215
Rental Housing	188	1,700,000
Rental Assistance	236	905,066

#### **IV. Workforce Housing Loan Program**

Activity	Total Units	Funding
Rental Housing	1,293	\$ 10,000,000

**V. N.C. Foreclosure Prevention Fund**

Activity	Total Loans	Funding <sup>1</sup>
Foreclosure Prevention Loans	2,865	\$ 58,999,404

**VI. State Home Foreclosure Prevention Project**

Activity	Total Households	Total Funding
Foreclosure Prevention Counseling	5,686	\$ 1,760,625

<sup>1</sup> The N.C. Foreclosure Prevention Fund operates under the umbrella of the state Home Protection Program. State funding was suspended after federal funds became available.

<sup>2</sup> The Housing Trust Fund, HOME Match, State Home Foreclosure Prevention Project, Workforce Housing Loan Program, and N.C. Foreclosure Prevention Fund data are all also included in Table I.

**EXHIBIT 1: FY2015 Organizational Chart**

## **EXHIBIT 2: Program Overview**